

# Compliance and Enforcement Annual Results

## FY2005 Enforcement Highlights



Environmental Protection Agency  
Office of Enforcement and Compliance Assurance

November 15, 2005

## **Civil Case Highlights**

### **AIR**

#### **Illinois Power Company and Dynegy Midwest Generation**

EPA and the State of Illinois, entered into a major CAA NSR settlement with the Illinois Power Company and its successor, Dynegy Midwest Generation, in May 2005 to resolve violations at the Baldwin Generating Station. The settlement requires Dynegy Midwest Generation to spend approximately \$500 million to install pollution control equipment and other measures that will reduce emissions of sulfur dioxide (SO<sub>2</sub>) and nitrogen oxides (NO<sub>x</sub>) by approximately 54,000 tons annually from five Dynegy Midwest Generation coal-fired power plants located in Illinois. Dynegy Midwest Generation will also spend \$15 million on five environmental projects, including: \$7.5 million for a mercury-reduction project with a goal of a 90 percent reduction at the Vermilion Generating Station; \$5 million for land donations to the Illinois Department of Natural Resources; \$1.5 million for an advanced truck stop electrification project; and \$1 million for energy conservation at schools and municipal buildings. Dynegy Midwest Generation will also pay a \$9 million civil penalty.

#### **Ohio Edison Company**

EPA, joined by the states of New York, New Jersey and Connecticut, reached a settlement with Ohio Edison Company, a subsidiary of FirstEnergy Corporation in July 2005. In 2003, the U.S. District Court for the Southern District of Ohio agreed with the government after a four-week trial that there were violations of the new source review requirements of the Clean Air Act at the W.H. Sammis Station coal-fired power plant in Stratton, Ohio. The consent decree requires Ohio Edison to spend approximately \$1.1 billion by 2010 to install pollution control equipment and other measures that will reduce emissions of harmful sulfur dioxide and nitrogen oxides by over 212,000 tons per year from the Sammis Station plant and other Ohio Edison and FirstEnergy coal-fired power plants. This is the second largest of the power plant settlements to date both in terms of the amount of pollution reduced and the cost of pollution controls. Ohio Edison is also required to pay a \$8.5 million civil penalty and expend \$25 million for environmental projects, including \$14.4 million in renewable energy development projects, \$10 million in environmentally beneficial projects related to air pollution in New York, New Jersey and Connecticut, and \$215,000 to the National Park Service for an air pollution project in Shenandoah National Park.

#### **Stone Container Corporation**

In November 2004, EPA settled the latest in a series of enforcement actions to ensure Clean Air Act compliance in the pulp and paper sector. EPA and the State of Virginia resolved allegations that Stone Container Corporation violated CAA provisions by expanding their operations without installing controls or getting the proper permits at the company's West Point, Va., pulp and paper plant. The consent decree will reduce

harmful emissions of sulfur dioxide and nitrogen oxides by over 3,800 tons per year at a cost of \$5.8 million. Stone Container is also required to pay a \$950,000 civil penalty to be shared equally between the United States and Virginia.

#### **Saint-Gobain Containers Inc.**

In June 2005, EPA reached an agreement with Saint-Gobain Containers Inc. of Muncie, Ind., to resolve Clean Air Act allegations, including that Saint-Gobain failed to apply the best available control technology to control emissions of NO<sub>x</sub> when it modified a furnace in 1998. The consent decree will reduce emissions of sulfur dioxide and nitrogen oxides and particulate matter by more than 425 tons per year by requiring Saint-Gobain to install state-of-the-art pollution control and monitoring equipment at a cost of approximately \$6.6 million. Saint-Gobain is also required to pay a civil penalty of \$929,000 and spend \$1.2 million for an environmental project to operate and maintain the new equipment. In addition, Saint-Gobain agreed to immediately comply with interim air pollution limits, obtain proper air permits, install pollution control equipment on its furnaces, and donate approximately \$1 million worth of emission credits generated by the emission reductions. The emission control devices required in the consent decree for this case represent technology that can be applied in the future to other glass manufacturers.

#### **Citgo Petroleum Corporation**

EPA, joined by the States of Illinois, Louisiana, New Jersey and Georgia, entered into a consent decree with Citgo Petroleum Corp. (Citgo) in January 2005 to resolve issues at six refineries that represent nearly 5 percent of the total U.S. refining capacity. Citgo is required to install state-of-the-art pollution control technologies to reduce harmful emissions of nitrogen oxides (NO<sub>x</sub>) by 7,000 tons per year and sulfur dioxide by 23,000 tons per year at an approximate cost of \$320 million. Citgo Petroleum will also pay a \$3.6 million civil penalty and spend more than \$5 million on a supplemental environmental project to further reduce NO<sub>x</sub> and carbon monoxide emissions at its Corpus Christi refineries.

#### **Chevron U.S.A. Inc.**

EPA, joined by the States of Hawaii, Mississippi, and Utah, and the Bay Area Air Quality Management District in California, entered into a consent decree with Chevron U.S.A. in June 2005 that will reduce annual emissions of nitrogen oxides by more than 3,300 tons and sulfur dioxide by 6,300 tons at a cost of approximately \$275 million. The five refineries covered by the consent decree represent more than 5 percent of the total U.S. refining capacity. Chevron U.S.A. is also required to pay a civil penalty of \$3.5 million and spend more than \$4 million on further emission controls and supplemental environmental projects in communities around the company's refineries.

## **WATER**

### **Los Angeles, Calif., Sewer System**

In October 2004, the City of Los Angeles reached an agreement to improve its sewer system to resolve problems that had resulted in more than 4,500 sewage spills since 1994 in what is the largest sewage collection system in the country. At a cost estimated at \$2 billion, Los Angeles will rebuild at least 488 miles of sewer lines and clean 2,800 miles of sewers annually to reduce by about 46 million gallons the raw sewage discharged annually—by a system that serves 3.8 million people. In addition to a \$1.6 million penalty to be shared equally between the United States and the Los Angeles Regional Water Quality Control Board, Los Angeles will perform \$8.5 million in environmental projects throughout the city to restore streams and wetlands and to capture and treat polluted storm drain flows.

### **Knoxville Utilities Board System, Tennessee.**

In February 2005, EPA and the State of Tennessee jointly entered a consent decree with the Knoxville Utilities Board (KUB) to eliminate approximately 3.5 million gallons of sewer overflows annually at an estimated cost of \$530 million. In addition to a \$334,000 civil penalty to be shared equally between the United States and Tennessee for a state environmental project, KUB will perform a \$2 million supplemental environmental project to repair defective sewer pipes that connect to the KUB system for low-income residential property owners .

### **District of Columbia Water and Sewer Authority, Washington, D.C.**

A legal agreement reached with the Washington, D.C., Water and Sewer Authority (WASA) in March 2005, requires the authority to install at a cost of \$1.4 billion long-term controls to reduce sewer overflows that introduce almost 2.3 million pounds of pollutants annually into local rivers. WASA had previously agreed to pay a \$250,000 civil penalty, to undertake \$1.7 million in storm water pollution prevention projects and to fund the Chesapeake Bay Foundation's \$300,000 demonstration project on storm water management.

### **Louisville and Jefferson County Metropolitan Sewer District, Kentucky**

EPA and the Commonwealth of Kentucky's Environmental and Public Protection Cabinet (EPPC) jointly entered into a consent decree with the Louisville and Jefferson County Metropolitan Sewer District (MSD) in August 2005 to eliminate at a cost of over \$500 million billions of gallons of unauthorized discharges of raw sewage and sewer overflows that sent more than 30.5 million pounds of wastewater pollutants annually into the Ohio River and its tributaries. MSD will also pay a civil penalty of \$1 million to Kentucky and, under state supervision, perform \$2.25 million in environmental projects to provide public health screenings for residents of neighborhoods adjacent to industrialized areas, raise environmental awareness and convert and reclaim a landfill

into a public use area.

### **Baltimore County Sewer System, Maryland**

In September 2005, EPA and the State of Maryland jointly entered into a consent decree with Baltimore County to spend \$800 million to prevent unauthorized discharges of sewage and stem chronic sewer overflows containing bacteria, pathogens, and other harmful pollutants from entering regional waterways, including the Chesapeake Bay and several rivers. Baltimore County will also pay a \$750,000 civil penalty divided equally between the United States and Maryland, and perform supplemental environmental projects valued at \$4.5 million, including one to install a trash collection system to remove and dispose of floating debris.

### **Wal-Mart, Nationwide**

EPA, the U.S. Attorney's Office for the District of Delaware, and the States of Utah and Tennessee entered into a consent decree in September 2005 with Wal-Mart to resolve storm water violations at its store construction sites across the country. Wal-Mart is required to comply with storm water permitting requirements and to implement an aggressive compliance program to ensure rigorous oversight of its 150 contractors. Under the terms of the consent decree, Wal-Mart will be required to use qualified personnel to oversee construction, conduct training and frequent inspections, report to EPA and take quick corrective actions. Wal-Mart will also pay a \$3.1 million civil penalty to the United States, Tennessee and Utah, and spend \$250,000 on an environmental project to protect sensitive wetlands or waterways in one of nine affected states.

### **Yellowstone Mountain Club**

EPA entered into a consent decree with Yellowstone Mountain Club in December 2004 to resolve unauthorized discharges of fill material in wetlands and other U.S. waters at a private ski and golf resort in Montana near Yellowstone National Park. Approximately seven acres of wetlands were affected, as well as tributaries to the Gallatin River, which is famous for its beauty and trout fishing. The consent decree requires Yellowstone Mountain Club to pay a \$1.8 million civil penalty – the largest ever in an EPA wetlands enforcement case. Yellowstone Mountain Club must also restore damaged wetlands and create new ones at an approximate cost of \$1 million.

### **Airlines**

EPA entered into legally binding agreements with 11 major domestic airlines and nine smaller airlines to ensure the safety of the drinking water used by their passengers and crew. The actions came after an EPA investigation of 327 U.S. and foreign airplanes at 19 airports in 2004 found coliform contamination in 15 percent of them. Airlines covered by these agreements include: Alaska Airlines, Aloha Airlines, American Airlines, America West, ATA Airlines, Champion Air, Continental Airlines, Continental Micronesia, Hawaiian Airlines, Miami Air International, Midwest Airlines, North

American Airlines, Northwest Airlines, Pace Airlines, Ryan International Airlines, Sun Country Airlines, United Airlines, U.S. Airways, USA 3000 Airlines, and World Airways. EPA will continue to work with smaller, regional and charter airlines to ensure the safety of their drinking water.

## **Cleanup Enforcement**

### **Sand, Gravel and Stone Superfund Site, Elkton, Md.**

In June 2005, EPA reached a settlement with forty “Settling Defendants,” relating to the Sand, Gravel and Stone Superfund Site in Elkton, Cecil County, Md. Under the terms of the consent decree, the Settling Defendants agreed to finance and perform the final remedial action selected by EPA to clean up the site of the former Air Products and Chemicals Inc. at a projected cost of approximately \$23.5 million. As part of the settlement, the Settling Defendants will also receive up to \$185,000 dollars from the Site Disbursement Special Account upon EPA's approval of the remedial design Work Plan and EPA will agree to forgo collection of approximately \$1.3 million in past response costs and future oversight costs. Together with prior cleanup agreements, this settlement represents a recovery of approximately 97 percent of the total costs for cleaning up this site.

### **Kerr-McGee West Chicago Superfund Sites, Chicago, Ill.**

In August 2005, the U.S. District Court for the Northern District of Illinois entered a consent decree with Kerr-McGee Chemical that is expected to result in the cleanup of radioactive wastes and the restoration of natural resources at two Superfund sites in and around West Chicago, Ill. Under this Superfund settlement, Kerr-McGee Chemical will remove the last radioactive contamination remaining from 40 years of disposal from the Rare Earths Facility in Chicago and restore the ecosystem at a cost of approximately \$74 million. Kerr-McGee agreed to excavate approximately 77,000 cubic yards of radioactive contamination in the West Branch DuPage River and Kress Creek and ship the contaminated soils to a facility licensed to handle such wastes. Kerr-McGee agreed to:

- Pay \$6 million for past costs that EPA incurred in working on the sites;
- Reimburse up to \$1.675 million in future EPA oversight costs;
- Pay the State of Illinois and Department of the Interior \$100,000 and \$75,000, respectively for costs relating to overseeing natural resources work; and
- Perform activities or spend money to enhance natural resources in the waterways and the DuPage County Forest Preserve at a cost of up to \$800,000.

Under prior EPA orders, Kerr-McGee spent approximately \$115 million cleaning up radioactive contamination in residential areas, West Chicago's Reed-Keppler Park , and West Chicago 's Sewage Treatment Plant. Top of Page

Newmark Groundwater Contamination Superfund Site, City of San Bernardino, Calif.

In March 2005, a \$78.5 million settlement was reached with the City of San Bernardino, the State of California Department of Toxic Substances Control (DTSC) and the United States Department of the Army to ensure a clean source of drinking water for residents of San Bernardino for 50 years. The settlement will fund the operation and maintenance of groundwater extraction and treatment systems that clean up volatile organic compound contamination in groundwater, and deliver the clean water to the city's potable water supply system. Under the terms of the consent decree, the United States agrees to pay \$69 million to the city, \$6.5 million to EPA and \$3 million to DTSC. The payments to the City will primarily fund the groundwater cleanup. The settlement also resolves a lawsuit by the city and DTSC against the Army claiming that its operations in the area during World War II were the source of the contamination.

### **Outboard Marine Corporation Site, Waukegan, Ill.**

Under a settlement entered in October 2004, General Motors Corp (GM), and North Shore Gas Co. are obligated to finance and perform the remedial action at the Waukegan Coke Plant operable unit of the Outboard Marine Corporation for an estimated cost of \$27 million. The City of Waukegan will perform the portion of the remedy relating to soil cleanup at the site using funds in an escrow account established by the defendants. In an innovative attempt to facilitate redevelopment at the site, the consent decree provides that the city may try to find a developer that will pay for extra soils work at the site, so that it may be redeveloped for residential use. If the city is unable to find a developer within the specified time, the city will place the industrial/commercial reuse cap on the site. The City of Waukegan and Larsen Marine Service Inc. are obligated to provide the access agreements and institutional controls required to implement the selected remedy. Elgin Joliet & Eastern Railway Co. will pay GM and North Shore 10 percent of the cost of the remedial action under a separate agreement.

### **Industrial Excess Landfill, Uniontown, Ohio**

In April 2005, five defendants entered into a settlement agreement to pay over \$18 million in past costs and to implement the remedy EPA selected in an amended record of decision for the Industrial Excess Landfill Site. The remedy is projected to cost about \$7 million, and the settling defendants are paying for EPA oversight costs up to \$700,000 plus interim response costs of approximately \$500,000. The settlement also resolves cost recovery claims brought by the State of Ohio.

### **Hudson River PCBs Superfund Site, Fort Edward , N.Y.**

In October 2005, the Department of Justice and EPA announced a settlement with General Electric Company on the Hudson River PCBs Superfund Site. The consent decree requires GE to construct a sediment processing and transfer facility in Fort Edward, N.Y., and implement the first phase of a dredging remedy for the site that will remove about 10 percent of the total volume of the river sediment contaminated with polychlorinated biphenyls (PCBs). Construction of the sediment processing and transfer facility and the first phase of dredging are expected to cost GE between \$100 million and

\$150 million. After Phase 1 of the remedy is completed, GE must tell EPA whether it will conduct the remainder of the required remedy. If GE decides not to conduct Phase 2, EPA reserves its right to direct GE to perform the Phase 2 dredging under a unilateral order, or to sue GE for performance of or payment for Phase 2, which is expected to last five years and cost approximately \$500 million.

The consent decree also calls for GE to pay EPA about \$78 million for the Agency's past and future costs at the site if GE agrees to conduct Phase 2. If, however, GE does not agree to conduct Phase 2, the amount to be paid to EPA would be \$43 million. These amounts are in addition to the approximately \$37 million in cost reimbursement that GE has already made under earlier settlements with EPA.

### **Milltown Reservoir and Clark Fork River Superfund Site, Missoula, Mont.**

In August 2005, the United States lodged a consent decree to remove sediment and improve water quality at the Milltown Reservoir Sediment Operable Unit, which is located near Missoula, Mont., at the point where the historic Blackfoot and Clark Fork rivers merge.

The responsible parties, Atlantic Richfield Company and NorthWestern Energy Corporation are required to implement the dam and sediment removal and sediment stabilization portions of the plan. The responsible parties will also implement part of the plan to restore natural resources to remove associated dam structures in the floodplain. The consent decree also requires the State of Montana, as lead trustee for natural resource damage, to implement a restoration plan in the area, which will provide for rebuilt stream banks and channel reconstruction that is friendly to habitat, funded in part by cash contributions from NorthWestern Corporation. The estimated value of the settlement is approximately \$102 million, of which \$83.5 million is for site remediation.

The consent decree also provides for bridge stabilization, EPA oversight funding, continuation by NorthWestern Corporation of fish enhancement programs until the dam is removed, and both responsible parties' removal of the nearby Stimson Dam on the Blackfoot River. The Salish and Kootenai Confederated Tribes, Atlantic Richfield, NorthWestern Corporation, the United States Department of Justice, EPA, and the State of Montana signed the consent decree; the Department of the Interior concurred.

### **Zeneca Facility Meets CASES Human Exposure Environmental Indicator**

Under EPA's Corrective Action Smart Enforcement Strategy initiative (CASES), a Zeneca Inc. facility in Dighton, Massachusetts met the initiative's goal of controlling exposure to contamination that is potentially harmful to humans. Under the CASES initiative, EPA used flexible enforcement approaches at Resource Conservation and Recovery Act (RCRA) facilities with the goal of achieving the Environmental Indicator for controlling human exposures to potentially harmful contaminants by September 30, 2005.

EPA and Zeneca Inc. entered into an Administrative Order on Consent under which Zeneca was required to complete site investigations and cleanup of its closed facility in Dighton, Massachusetts, readying some of the developed portions of the 25-acre site on Main Street for future commercial use. The Order also required Zeneca to achieve the Environmental Indicators for controlling human exposures and the migration of contaminated groundwater. Under CASES, Zeneca and five other Region 1 facilities met the Human Exposures controlled Environmental Indicator by Sept. 30, 2005.

## **Supplemental Environmental Projects**

EPA enforcement settlements concluded in FY 2005 include supplemental environmental projects that provide significant benefits to public health and the environment. These are voluntary projects a settling party undertakes in addition to whatever else must be done to bring a facility into compliance. The following settlements in FY2005 include innovative projects:

### **Chevron Products**

In December 2004, Chevron Products agreed to implement a supplemental environmental project that involved procurement and installation of a fuel cell to provide electricity at Moody Gardens in Galveston, Texas, one of the largest publicly-owned tourist attractions in the Houston-Galveston area. The fuel cell will be part of a pollution prevention and reduction system in which Moody Gardens will use an anaerobic digester to reduce solid waste that would otherwise be sent to a landfill. Biogas from the digester will be used to power the fuel cell, and heat from the fuel cell will go back to the digester to make it operate more efficiently. Moody Gardens will use the electricity generated by the fuel cell, reducing its reliance on an existing boiler and reducing air emissions. In addition, Moody Gardens uses treated wastewater from the city to irrigate its rain forest exhibit. Organic matter from the irrigation will also be used in the digester. Moody Gardens will experience some emission offsets from its boilers because it will use some of the fuel cell heat to offset producing steam from the boiler. The fuel cell will be an important part of a multi-media project designed to reduce pollution through alternative energy, reuse and recycling principles.

### **AK Steel**

In January 2005, AK Steel agreed to implement three supplemental environmental projects designed to improve air quality and reduce hazardous wastes. The company will retire over 159 tons of NOx credits. It will also purchase and install equipment to enable at least 17 refrigeration units to use refrigerants with lower ozone depleting potential. Also under the consent decree, AK Steel conducted a refrigerant recycling program in Butler County, Pa., in which appliances containing refrigerants were picked up and brought to the recycling plant, where the appliance refrigerants were removed and disposed of properly.

**CamWest Inc.**

In August 2005, EPA entered into a consent decree with BP America Production Co., CamWest Inc. and CamWest Limited Partnership resolving alleged violations of the Clean Water Act, Safe Drinking Water Act, and Oil Pollution Act on the Lander and Winkelman Dome Oil Fields in Fremont County, Wyo., within the boundaries of the Wind River Indian Reservation of the Eastern Shoshone and Northern Arapaho tribes. As part of the settlement, Camwest and BP agreed to implement supplemental environmental projects on the Wind River Indian Reservation that will provide significant environmental improvements to the drinking water systems of the Shoshone and Northern Arapaho tribes. The projects involve the purchase and installation of piping and other equipment to upgrade water treatment facilities, providing better quality and quantity of drinking water to tribal members. The Eastern Shoshone and Northern Arapaho tribal governments, respective utility organizations, tribal attorneys, and the Wind River Environmental Quality Commission provided extensive cooperation on the supplemental environmental projects.

## **CRIMINAL ENFORCEMENT HIGHLIGHTS**

### **Air**

#### **AAR Contractor, Inc.**

In December 2004, Alexander Salvagno and Raul Salvagno, owner operators of AAR Contractor, Inc., were sentenced to 25 years and 19 years and 7 months of imprisonment, respectively. The sentences are the longest in federal environmental crimes history. The Salvagnos conducted illegal asbestos abatement activities over a 10-year period at more than 1,550 facilities throughout New York state -- including elementary schools, churches, hospitals, military housing, theaters, cafeterias, the New York State Legislature Office Building, public and commercial buildings of nearly every sort and private residences. The defendants directed illegal activities of 500 asbestos workers and laboratory officials. As many as 100 former AAR workers are now substantially likely to develop asbestosis, lung cancers or mesothelioma, a fatal form of cancer. Additionally, the defendants were ordered to pay restitution of over \$23 million and forfeited additional sums of over \$5.7 million under the federal racketeering laws.

#### **Tyler Pipe Company**

In March 2005, Tyler Pipe Company, one of the largest manufacturers of iron pipes and castings in the U.S., pled guilty to two felony counts in the first criminal prosecution for violations of the new source review/prevention of significant deterioration provisions of the Clean Air Act. The company paid a \$4.5 million criminal fine and will undertake an estimated \$11 million in upgrades to the facility to reduce future pollution. The prosecution arose from Tyler Pipe's illegal construction and operation of a scrap metal furnace at its facility near Tyler, Texas. The furnaces melt scrap metal to produce molten iron, which generates substantial air pollution, including significant emissions of particulate matter, carbon monoxide and lead. Tyler Pipe razed its old plant furnace and replaced it with a new one. Under the CAA's prevention of significant deterioration provisions, Tyler Pipe was required to apply to the Texas Commission on Environmental Quality for permission to construct and operate the new furnace using the best available control technology. Instead, Tyler Pipe concealed the construction of the new furnace from the state commission and connected it to the existing pollution control device, a water scrubber designed and built in the 1960s.

#### **Phillip H. Cohn**

In May 2005, Phillip H. Cohn, of St. Louis, Mo., was sentenced to 60 months imprisonment and five years supervised release. Cohn was also ordered to pay \$347,200 restitution to East St. Louis, Ill., School District 189. Cohn had previously pled guilty to submitting false invoices to the school district purportedly for environmental cleanup work at the Clark Middle School site. On the environmental Clean Air Act charge, Cohn failed to remove substantial quantities of known asbestos - containing materials from the historic Spivey Building in East St. Louis, before sending work crews into the building to

conduct demolition and renovation work. He then caused the endorsements of environmental companies to be forged on checks issued from an escrow account and used the money - approximately \$350,000 - for personal expenses. As part of his plea agreement, Cohn agreed to make full restitution to School District 189.

## **Water**

### **Bouchard Transportation Company**

In November 2004, the Bouchard Transportation Company of Hicksville, N.Y., was sentenced to pay a \$10 million fine for violating the Clean Water Act and the Migratory Bird Treaty Act for spilling approximately 98,000 gallons of industrial fuel oil into Buzzards Bay off Cape Cod, Mass. The fine is in addition to more than \$38 million in direct costs Bouchard spent to clean-up the spill. The company admitted that improper operation of the tugboat, Evening Tide, led to the spill of Number 6 fuel oil, a heavy oil used by ocean liners and tankers as fuel, which killed 450 protected birds, forced the closure of thousands of acres of the bay's shellfish beds for several months for cleanup, and polluted nearly 90 miles of Massachusetts shoreline. The North American Wetlands Conservation Fund will receive \$7 million of the fine, the Oil Spill Liability Trust Fund will receive \$2 million. The remaining \$1 million will be suspended if the company successfully completes probation and establishes an environmental compliance program. The former first mate of the Evening Tide, was sentenced to five months incarceration followed by one year of supervised release after pleading guilty to violating the Clean Water Act and the Migratory Bird Treaty Act.

### **Evergreen Marine**

In April 2005, Evergreen International, S.A., one of many Evergreen-related companies involved in the container ship business, paid \$25 million in fines and environmental projects, the largest-ever amount for a case involving deliberate vessel pollution, after pleading guilty to 24 felony counts and one misdemeanor count in federal courts in Los Angeles, Calif., Newark, N.J. Portland, Ore., Seattle, Wash., and Charleston, S.C. Evergreen ships routinely used bypass equipment to discharge oily waste and sludge oil while circumventing required pollution prevention equipment and concealing the discharges in fictitious logs it knew were inspected regularly by the Coast Guard. The guilty pleas involved the company's concealment of the deliberate, illegal discharge of waste oil, including making false statements, obstructing Coast Guard inspections, failing to maintain an accurate Oil Record Book, and negligently violating the Clean Water Act relating to a discharge into the Columbia River. A \$15 million criminal fine will be divided equally among the five judicial districts involved. In addition, another \$10 million will be directed to environmental community service projects. Four related Evergreen companies also will be bound by a detailed environmental compliance plan to prevent future violations as a condition of probation.

## **Sabine Transportation**

In April 2005, Rick Dean Stickle, chairman and owner of Sabine Transportation Company, was sentenced to 33 months in prison after being convicted of ordering the illegal dumping of 440 tons of oil contaminated grain into the ocean from the SS Juneau, a Sabine tanker, and of obstructing an investigation conducted by the U.S. Coast Guard and Department of Agriculture. He also received a \$60,000 criminal fine. Sabine Transportation, headquartered in Cedar Rapids, Iowa, previously pled guilty to violations of the Act to Prevent Pollution from Ships and paid a \$2 million criminal fine. A diesel oil leak in one of the Juneau's main cargo tanks was discovered while a shipment of grain was being off loaded in Bangladesh in December 1998. The wheat became saturated with the oil and was rejected by Bengali authorities. While the ship was in Singapore, company officials and vessel officers discussed various ways of off-loading the cargo legally, but this option was ultimately rejected by the defendant as too expensive. Instead, Stickle and other company officials intentionally misled Coast Guard officers by failing to disclose the true nature of the contaminated residue and ultimately ordered the contaminated wheat to be discharged into the ocean during the return voyage to the United States. The criminal investigation began after crew members alerted the Coast Guard to the dumping.

## **HAZARDOUS WASTE**

### **Union Foundry**

In September 2005, the Union Foundry Company, of Birmingham, Ala., was sentenced to pay a \$3.5 million criminal fine, perform a \$750,000 environmental community service project and serve five years probation following a guilty plea to charges of violating both the Resource Conservation and Recovery Act and an Occupational Safety and Health Administration regulation. Union Foundry allowed a maintenance employee to work in the area of a conveyor belt while it was operating without a safety guard. The employee was caught in the unguarded pulley of the conveyor belt and was crushed to death. The company also treated hazardous waste generated by the foundry without a permit from EPA or the State of Alabama. The hazardous waste was dust from air emissions of the iron furnace, which contained lead and cadmium.

### **Michigan Industrial Finishes**

In August 2005, Michigan Industrial Finishes Corporation and its president, Norman Solomon, each paid \$1 million in restitution following Solomon's guilty plea to violating the Resource Conservation and Recovery Act by illegally storing more than 2,000 55-gallon drums and other containers of highly flammable paint related solvents. He also received 60 months probation. In his plea, Solomon admitted to storing the drums illegally despite the fact that he had entered into a consent decree with the Michigan Department of Environmental Quality to resolve the storage issues. The ignitable spent solvents being stored illegally included xylene, toluene and methyl ethyl ketone. EPA

estimates that Superfund cleanup costs at the site will be approximately \$4 million.

## **MULTI-MEDIA**

### **Motiva Enterprises, LLC.**

In March 2005, Motiva Enterprises LLC, an oil refining business owned by Shell Oil Company and Saudi Refining Inc., pled guilty to negligently endangering workers at its former refinery in Delaware City, Del., discharging pollutants into the Delaware River, and negligently releasing sulfuric acid into the air. Motiva paid a \$10 million fine and must serve a three-year probation term. On July 17, 2001, workers were sent to the refinery's acid tank farm to repair a catwalk connecting the tanks. Flammable vapors ignited, producing an explosion that knocked a 415,000 gallon capacity tank containing spent sulfuric acid off its foundation, killing one worker and injuring numerous others. Additionally, approximately 99,000 gallons of spent sulfuric acid drained into the Delaware River for days after the explosion killing thousands of fish and crabs. Following the explosion, EPA criminal investigators gathered evidence that indicated an extensive history of problems with the tank, including corrosion and leaks. Shell Oil and Motiva collectively account for about 10 percent of total U.S. refining capacity and a 13 percent share of U.S. gasoline sales.

### **USL City Environmental Inc.**

In December 2004 and September 2005, Gazi George, former vice president of City Environmental Inc., a waste treatment facility in Detroit, Mich., once owned by Texas-based U.S. Liquids Inc., was sentenced to 27 months imprisonment, three years supervised release, and a \$60,000 fine. A co-defendant, Donald Roeser, the former plant manager, previously was sentenced to serve 12 months in prison and pay a \$60,000 fine. Both were prosecuted for Resource Conservation and Recovery Act and Clean Water Act violations, including conspiracy, after discharging untreated and insufficiently treated waste into the Detroit sanitary sewer system and transporting hazardous waste to a landfill not licensed to receive hazardous waste. Instead, liquid hazardous waste was unlawfully discharged directly into a sewer through, among other methods, a covert bypass pipe. Solid hazardous waste was not treated and was sent instead to an unauthorized, non-hazardous waste landfill. The defendants were also charged with false sampling, false reporting and tampering with a monitoring device. U.S. Liquids had paid a \$5.5 million fine in 2002 and must serve five years probation for its part in this case.

### **Kerrville Painting Company**

In November 2004, corporate defendant Kerrville Painting Company Inc., of Kerrville, Texas, Nicholas Muskie, the owner of Kerrville Painting, and Kevin Foster were sentenced for their role in violations of federal hazardous waste disposal and clean water laws. The criminal violations arose from sandblasting and painting work the company did under highway bridge contracts in northeast Arkansas in 1999 and 2000. The defendants

were involved in a scheme involving the illegal discharge of about 160,000 pounds of lead-contaminated materials into the Black River from two different bridge locations. The company was sentenced to five years probation and to pay over \$324,613 in clean-up costs . Muskie received three years in prison and Foster received one year in prison and paid \$5,768 in restitution for clean-up costs. Bridge sandblasting and painting typically generates wastes contaminated with lead that must be disposed of properly to avoid exposure of the public, fish and wildlife to lead and lead compounds. Exposure to sufficient quantities of lead can cause neurological and developmental disorders in humans.